



Irish Life Weekly Investment Bulletin

The week that was – WEEK 25 (ending 17/06/2016)

“To err is human; to admit it, superhuman.” – Doug Larson

Irish property shows sixth highest return on a global basis – Latest figures released by the Global Property Guide show an Irish property price increase of 7.7% in the year to March 2016 which sees Ireland take its place as the sixth fastest growing market in the world and the highest property return in the eurozone.

U.S. Fed keep rates unchanged – The Federal Open Market Committee voted unanimously not to increase interest rates and also indicated that the path for future rate hikes will likely be more gradual than the committee had forecast in March. The Bank of Japan, the Bank of England and the Swiss also held steady.

Global stock market down 0.6% during the week – Markets moved lower during the week, with the MSCI AC World Index down 0.65% from 13th to 17th June in local currency terms and the VIX volatility index rising to 19.41 as markets grappled with the potential implications of the United Kingdom Brexit vote on Thursday next.

Euro-area employment up 1.4% year-on-year – According to the latest figures published by Eurostat, the number of persons employed increased by 0.3% in the euro-area in the first quarter of 2016 compared with Q4 2015 and by 1.4% compared with Q1 2015. These are the highest employment levels seen since Q4 2008.

German 10-year bond yield goes negative for first time ever – More global sovereign debt is trading with negative interest rates as the yield on 10-year German bunds dipped below zero for the first time and Swiss 30-year bonds doing the same. U.K. 10-year gilts fell to a new low of 1.10% as ‘the flight to quality’ intensified.

U.K. retail sales jump – The Office for National Statistics reported that retail sales volumes rose 6% in May, the biggest annual rise since September and above all forecasts of a Reuters poll of economists. Shoppers thus bucked the trend of some measures of household sentiment being knocked in run up to EU referendum.

The Story of the week: A new survey of 2,000 business travellers has revealed the 10 most hated items of "corporate speak", the jargon that invades the business world. They are: 1 Touch base offline; 2 Blue sky thinking; 3 Punch a puppy; 4 Thought shower; 5 Thinking outside the box; 6 It's on my radar; 7 Close of play; 8 Singing from the same hymn sheet; 9 Peel the onion and 10 To wash its own face. Other 'honourable' mentions were "to circle back", to "action" and to "reach out".

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 17/06)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-10.9
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	-1.4
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-10.8
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	2.4
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	-4.1
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-18.0
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	0.0
MSCI AC World	-8.5	13.2	22.9	7.2	-0.7	-3.2
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
U.S.	1.9	1.7	3.0	2.2	2.2	1.7
German	1.8	1.4	1.9	0.5	0.6	0.0
UK	2.0	1.9	3.0	1.9	1.9	1.2
Japan	1.0	0.7	0.7	0.3	0.2	-0.2
Ireland	8.4	4.5	3.4	1.3	1.1	0.9
Italy	7.1	4.6	4.1	2.1	1.6	1.4
Greece	31.7	12.7	8.2	9.6	7.9	7.6
Portugal	13.4	6.9	6.1	2.7	2.5	3.2
Spain	5.1	5.4	4.1	1.6	1.7	1.5
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/€)	1.30	1.31	1.37	1.21	1.09	1.13
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.77
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.46
IPD All Property Return (%)	2011	2012	2013	2014	2015	2016
Ireland	-2.4	3.1	12.7	40.1	25.0	2.9 (to end of Q1)
U.K.	8.1	2.7	10.7	17.8	13.1	1.1 (to end of Q1)
U.S.	14.5	5.3	11.4	11.2	12.1	2.1 (to end of Q1)

*Past performance is not a reliable guide to future performance